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WHAT'S AHEAD FOR ILLINOIS FARMERS IN 1948

Farmers are justified in aiming for a high level of production in 1948 because of prospective prices of farm products and the great human need for food. Careful use of grains in animal feeding will help meet the immediate need for food. Wider use of good soil conservation practices will enable us to produce more food and at the same time protect our own economic security.

This report reflects the best judgment of our outlook committee at this time. Unforeseen developments, however, may materially alter the outlook before the end of 1948. Good farm management and conservative business practices will help us meet these changing conditions.

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UNIVERSITY OF ILLINOIS · · COLLEGE OF AGRICULTURE
EXTENSION SERVICE IN AGRICULTURE AND HOME ECONOMICS

STRONG DEMAND FOR FARM PRODUCTS

Prices of Illinois farm products will fluctuate at high levels during 1948. Present indications are that average prices will be about the same as in 1947. There is considerable danger, however, of further inflation. The available supply of money and credit, growing out of Government spending during the war, would support much higher prices. On the other hand, there is the possibility that the long-expected postwar decline in prices of farm products may begin before the end of 1948.

A strong domestic demand will be the major factor supporting prices of farm products in 1948. Consumer buying power will be strong as a result of large payrolls. Payrolls will be maintained by large expenditures for housing, expansion of public utilities and industrial facilities, automobiles and other transportation equipment, farm machinery, household appliances, and Government services.

Demand for farm products for export will be strong in 1948. The destruction wrought by war and unfavorable growing seasons have reduced food production in many areas. In western Europe food shortages are intensified by political developments which have prevented the normal movement of food from surplus-producing areas in eastern Europe. The U. S. probably will supply substantial quantities of farm products to the food-deficit areas in Europe for at least a few years.

Costs of producing farm products will be higher in 1948 than in 1947. Farm wage rates and prices of farm machinery and equipment may increase. Costs of feed, fertilizer, and motor fuels probably will average higher than in 1947. Real-estate and personal-property taxes will be considerably higher, especially in communities where taxes have not increased substantially in recent years.

The quantity of farm products to be sold from Illinois farms in 1948 will be smaller than in 1947 and production costs will be higher. This will reduce the amount of income available for living expenses and investment.

Premiums for efficient farming will be restored as costs of production increase in relation to prices of farm products. This will be quite different from the situation of recent years when the premiums have been for large-scale operations rather than for efficient farming.

Cooperative Extension Work in Agriculture and Home Economics:
University of Illinois, College of Agriculture,
and the United States Department of Agriculture cooperating.
H. P. Rusk, *Director*
Acts approved by Congress May 8 and June 30, 1914.

CAREFUL FEEDING CALLED FOR

The feed situation in Illinois calls for more efficient use of grain rather than for any general reduction of livestock numbers. Total supply of **feed grains** in the U. S. (corn, oats, barley, and sorghum grain) will be nearly one-fifth smaller than in 1946-47 and the smallest in recent years.

Total U. S. supply of **corn** for 1947-48 is about 2.75 billion bushels, about one-fifth less than last year and the smallest since 1937. The amount of corn to be sold from farms will be about a third less than last year, mainly because of poor corn crops in Illinois and Iowa.

Supplies of **oil-seed cake and meal** will be 5 percent larger in 1947-48 than in 1946-47. Supply of **wheat mill feeds** will again be large, but probably not as great as the record supply for 1946-47.

In most sections of the country, the supply of **hay** is large especially in relation to the number of hay-consuming animals on farms and the supply of feed grains. Prices of hay, therefore, are not likely to be high in comparison with prices of more concentrated feeds.

Livestock feed requirements in 1948 will be moderately smaller than in 1947. Hogs probably will be sold at somewhat lighter weights. The spring pig crop is expected to be moderately smaller. Less grain will be fed to beef cattle. Dairy cows and poultry will be fed less liberally. And there will be fewer work animals to be fed grain in 1948 than in 1947.

Prices of corn and other feeds will continue high in 1948, at least until it becomes clear that there will be a good corn crop. Judging by other years when the corn crop was relatively small and hog numbers were reduced, the price of corn may not rise as much as usual from early winter to the next summer. Corn futures markets in December, 1947, indicated that slightly lower prices were expected by next July. Prices of high-protein feeds will appear high, but it will be economical to buy enough of them to balance rations and thus save high-priced corn.

SOYBEAN PRICES STRONG

Prices of soybeans in the crop year ending September 30, 1948, are expected to average moderately higher than in the previous crop year. High world prices for fats and oils and short feed supplies in the U. S. provide a potentially strong demand for soybeans. A Government decision to ease export restrictions for soybeans or soybean products would raise prices. Altho the demand for soybeans may be strong next fall, prices will probably not justify an increase in soybean acreage at the expense of a good crop rotation.

CATTLE AND BEEF

Beef production in 1948 may be around a billion pounds less than in 1947. Cattle numbers were reduced considerably in the past year by heavy slaughter of cows, heifers, and steers. The scarcity and high prices of both corn and feeder cattle will further reduce the number of cattle to be fed on grain in 1947-48. Furthermore the cattle which are fed grain will be given less than the usual amounts, and less beef will be produced.

Cattle prices may average higher in relation to hog prices because beef production is expected to be reduced more than production of pork. Occasionally relatively heavy marketings of grain-fed cattle may cause temporary price declines. Prospective light marketings of the better grades of cattle next summer favor a normal seasonal advance in prices of such cattle at that time.

HOGS AND PORK

Hog prices will be kept at high levels during the first part of the year by a very strong demand from consumers and in the later months by relatively light market supplies. The demand for pork will receive some additional support as a result of the smaller beef supplies expected in 1948.

Pork production in 1948 is expected to be moderately smaller than in 1947. Hog slaughter during the first eight months of 1948 will be about the same as last year. Average market weights will be somewhat lighter than in 1947 but probably no lighter than during prewar years.

The small 1947 corn crop is expected to cause a moderate reduction in the 1948 spring pig crop. This reduction will show up in lighter marketings after September 1. The fall and winter period of heaviest marketings probably will be later than usual, because many farmers will wait for the new crop of corn for fattening their hogs next fall.

LAMBS AND WOOL

Lamb prices are expected to continue high in 1948. Relatively few fed lambs will be available in the first part of the year. The 1948 lamb crop may be only about 21.5 million head, the smallest in twenty-three years.

Wool. Some Illinois farmers will receive considerably higher prices for wool in 1948 than in 1947. In 1947 average prices dropped to 35 cents a pound when the Government price-support program lapsed on April 15. In 1948 the Government will support wool prices at the same level as in 1946, when Illinois farm prices of wool averaged 43 cents a pound.

STRONG DEMAND FOR WHEAT

Prices of wheat in 1948 probably will continue at near record levels until the new crop is harvested. Even then prices are expected to remain well above Government loan rates.

In 1947 U. S. farmers produced by far their largest wheat crop. It totaled 1.4 billion bushels, nearly three times as much as is needed for food in the U. S. in one year. Exceptionally large exports to Europe, however, will reduce wheat stocks in the U. S. to low levels by next July 1. Current indications are that there will be a strong demand for any U. S. wheat available for export in the 1948-49 marketing year.

Illinois farmers appear to have seeded a larger acreage of wheat in 1947 than in most other recent years. This larger acreage will permit some farmers to increase legume acreages in line with good soil-management requirements.

FORAGE SEED SUPPLIES

The supply of alfalfa seed (107 million pounds) is the largest on record, and prices to growers in October were the lowest in six years. Supplies of red-clover seed (86 million pounds) and alsike-clover seed (27 million pounds) are much smaller than last year, and prices have been at or near a record high. Seed of other clovers is in moderate supply, but prices are likely to be high because of the scarcity of red clover.

Illinois farmers who have soil adapted to alfalfa — soil that is well drained, sweet, medium to high in phosphorus, and medium to high in potassium — can save money by using alfalfa to replace part or all of the red clover they would normally seed. The alfalfa will produce as much hay and pasture as the red clover or even more.

Grass-seed supplies are fairly ample. Bromegrass seed production in 1947 was two and one-half times that of 1946 but somewhat less than the average of 1942-1945. Bromegrass prices are below the average of the past three years. Timothy, orchard grass, and redtop seed, while not as abundant as bromegrass seed, will probably meet normal demands. Production of Sudan-grass seed was off 14 percent from 1946, and was next to the smallest on record. Supplies of bluegrass seed are large.

Up-to-date farm outlook information is put out every week by the College of Agriculture. An outlook report, along with a market review, is given every Friday at 12:45 over station W I L L (580 on your dial) as a part of the Illinois Farm Hour. A weekly letter, containing market and outlook information, is sent to all who request it.

FARM FAMILIES CAN LIVE BETTER

Most Illinois farm families will have an opportunity to improve their level of living in 1948. They will have more money (from income plus savings) for living expenses than heretofore.

Many items needed by farm families — such as household appliances and equipment, furniture and furnishings, clothing, automobiles, and building materials — will be somewhat easier to get than in the last several years. There are few signs that any of these items will be cheaper in 1948. Some may be higher, especially if there is another round of wage increases in industry. Prices will still be reasonable, however, in relation to farm incomes.

Retail prices of food are expected to remain high thruout 1948. Meat, poultry, eggs, and cereal products will probably average higher than in 1947. January and June will be good months for families to buy pork for freezing. Winter and spring markets will be favorable for the purchase of the better grades of beef for the locker.

FRUITS AND VEGETABLES

Demand for fruits is expected to be about as strong in 1948 as in 1947. Prices of individual fruits, however, may be considerably different in 1948 because of different yields.

Apple production in Illinois probably will be considerably below the large production in 1947. The U. S. apple crop, about average in 1947, is expected to be about the same in 1948.

The Illinois peach crop, which was exceptionally large in 1947, may be large again in 1948. The U. S. peach crop in 1947 was only 3 percent less than the record 1946 crop, and another very large crop is probable in 1948. Illinois peach growers are finding increased competition from growers in other states harvesting at about the same time.

Demand for vegetables will be strong in 1948, probably about the same as in 1947. Prices of individual crops for the fresh market will depend upon the size of each crop. Unfavorable weather last spring lowered production of some vegetables, and as a result growers received high prices for the small crops they were able to harvest. If, as has often happened in the past, acreages of these crops are unduly increased in 1948, prices at marketing time may be disappointing.

Demand and prices for most vegetables for processing in 1948 should be at least as favorable as in 1947. A strong consumer demand plus some exports during the next several months will reduce stocks of most kinds of canned and frozen vegetables to near the normal supply.

FARM BUILDINGS AND HOUSING

Building costs will continue to be high in 1948 but will not be out of line with prices of farm products. More lumber and more of some other building materials will be on the market, but steel and some appliances will be in short supply.

Now is the time to make plans for housing improvements and for new major farm buildings for the next year. 1948 will be a good year to start new buildings if good workmen can be found. Home improvements, developments in artificial drying of corn and small grain, and ways to save labor will merit particular attention.

FARM MACHINERY SUPPLY LIMITED

Scarcity of materials and a strong world-wide demand for farm machinery will restrict shipments of machinery to individual dealers in 1948. Considerable progress has been made in improving machinery designs to save labor and do a better job. Production of new types of machinery is slow, but should show some improvement late in the year. Orders for essential machinery should be placed early.

RURAL ELECTRIFICATION

More rural electric lines will be built as materials become available, but it will be two years or more before many who have asked for electric service are reached. Many lines that were built before the war are becoming overloaded by the connecting of additional farm and home equipment.

Crop-conditioning equipment and labor-saving devices use large quantities of electricity. To carry these new loads satisfactorily, many old wiring jobs need strengthening with additional circuits and heavier wire. Any new farmstead wiring should be installed with extra capacity to meet still further increases in the needs for power.

FOREST PRODUCTS

With lumber inventories still below normal, timber demands and values should continue favorable thru 1948. A price decline roughly equal to rises brought about by upgrading may, however, be expected, since the practice of upgrading appears to be falling off.

Lump-sum sales or sales on an acre basis will penalize the seller. Best method of sale will be on a marked-tree basis to include short trunks, low-value species, and mature trees. Prices will not justify sale of good-quality, fast-growing trees.

DAIRY SITUATION STABLE

Prices farmers get for milk and cream in 1948 are expected to average about the same as in 1947. Costs of feed and other items needed to produce milk will, however, be higher. Consequently net incomes from dairying in 1948 may be somewhat smaller than in 1947.

Total milk production in the U. S. in 1948 may be slightly less than the 121 billion pounds in 1947. The number of milk cows on farms is expected to be about the same as in 1947, but because of high feed prices they will not be fed as liberally. As a result, milk production per cow will be reduced. With high costs for feed and high prices for beef, smart dairymen will sell low-producing cows.

The consumers who buy milk and other dairy products are expected to have high incomes in 1948. These high incomes, together with some exports of dried milk, will provide a strong demand for dairy products. The consumption of fluid milk and cream in 1948 is expected to be about the same as in 1947. Production of butter probably will be slightly larger and evaporated milk and cheese moderately smaller than in 1947.

EGG PRICES TO BE SUPPORTED

Egg prices are likely to average about the same in 1948 as in 1947. Production costs, especially costs of feed, will be substantially higher during most of the year, so profits from eggs are expected to be moderately lower.

Egg production in the heavy laying season of 1948 probably will be about the same as a year earlier. The U. S. Department of Agriculture says 4 percent fewer hens will lay enough eggs to provide as many eggs per person as were consumed in 1947.

Demand for eggs in 1948 will be supported by high levels of consumer income, a scarcity of meats, and Government buying. The Government will be required to support prices at a slightly higher level in 1948 than in 1947. In 1947 the Government bought 275 million dozen eggs to support prices. It still had nearly half of these on October 1, 1947.

CHICKENS AND TURKEYS

Prices of both turkeys and chickens will be sustained by smaller meat supplies and by high consumer incomes. Total production of chicken meat will probably be somewhat smaller than in 1947. Turkey production in 1948 is expected to be at about the 1947 level, which was down 16 percent from 1946.

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